

Message Text

LIMITED OFFICIAL USE

PAGE 01 CANBER 08858 090131Z

14

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 AID-05 CIAE-00 COME-00 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02
CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 /075 W

----- 051131

R 090002Z DEC 76

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 9458

INFO AMCONSUL MELBOURNE

AMCONSUL SYDNEY

LIMITED OFFICIAL USE CANBERRA 8858

EO 11652: NA

TAGS: ELAB, AS

SUBJ: FRASER AND HAWKE TO MEET FOR POST-DEVALUATION
ECONOMIC TALKS

1. WITH ACTU EXECUTIVE CURRENTLY MEETING IN MELBOURNE TO DISCUSS AND DETERMINE TRADE UNION POSITIONS ON DEVALUATION, WAGE INDEXATION, URANIUM EXPORTS, FEDERAL AND STATE ANTI-UNION LEGISLATION AND OTHER MAJOR ISSUES, PRIME MINISTER FRASER AND ACTU PRESIDENT HAWKE HAVE ARRANGED TO MEET FOR ECONOMIC TALKS DEC 13 IN CANBERRA. IN PREPARATION HAWKE HAS BEEN REPEATING SUGGESTIONS HE HAS MADE ON OTHER OCCASIONS TO EFFECT THAT TRADE UNION MOVEMENT MIGHT BE WILLING TO CONSIDER WAGE RESTRAINT IN EXCHANGE FOR COMPENSATORY CUTS IN DIRECT AND INDIRECT TAXES AND VARIOUS OTHER CONCESSIONS. THIS HAWKE PROPOSAL HAS BEEN STRONGLY ATTACKED BY LEFT WING UNIONS WHICH REPRESENT OVER ONE MILLION WORKERS AS WELL AS BY SOME LEFT WING ELEMENTS WITHIN THE ALP.

2. AT SAME TIME, HAWKE HAS BEEN BLASTING FRASER GOVERNMENT IN WAKE OF DEVALUATION AS QTE TOTALLY INCOMPETENT END QTE AND AS MAKING MUCH-MALIGNED WHITLAM GOVERNMENT APPEAR AS QTE MODEL OF ECONOMIC RESPONSIBILITY END QTE BY COMPARISON. CHARGING THAT FRASER GOVERNMENT HAS CREATED WORST ECONOMIC QTE MESS END QTE SINCE GREAT DEPRESSION AND PREDICTING 20

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 08858 090131Z

PERCENT INFLATION AND HALF MILLION UNEMPLOYED IN 1977 UNLESS

GOVERNMENT ADMITS IT HAS MADE SERIOUS MISTAKES AND DEMONSTRATES WILLINGNESS TO TALK WITH OTHER ECONOMIC SECTORS WITH VIEW TO MAKING CHANGES, HAWKE NEVERTHELESS HAS BEEN CAREFUL TO EXPLAIN HE IS ONLY SPEAKING FOR HIMSELF AT THIS POINT AND NOT FOR ACTU EXECUTIVE WHICH WILL NOT COMPLETE WEEK OF MEETINGS UNTIL DEC. 10.

3. COMMENT: WHILE HAWKE CLEARLY ENJOYS LASHING OUT WITH INVECTIVE AND HYPERBOLE ON TV AND ELSEWHERE AT GOVERNMENT HE CONSIDERS INCOMPETENT AND AT POLICIES HE CONSIDERS QTE STUPID END QTE AND QTE INSANE END QTE ONE GETS IMPRESSION THAT UNDERLYING RELISH WITH WHICH HE TEARS INTO FRASER AND LYNCH IS GENUINE CONCERN THAT COUNTRY IS ON VERGE OF BECOMING ECONOMIC DISASTER AREA AND THAT SITUATION NOW CALLS FOR SUBSTANTIALLY MORE THAN MERE NEGATIVE OR PARTISAN OPPOSITION. ONE ALSO GETS IMPRESSION THAT HE BELIEVES HE HAS BETTER CHANCES NOW THAN HE HAD BEFORE SHOCK OF DEVALUATION OF GETTING EMBATTLED GOVERNMENT TO NEGOTIATE SERIOUSLY AND OF GETTING MAJOR ELEMENTS WITHIN TRADE UNION MOVEMENT TO ENDORSE SOME SORT OF MUTUALLY-ACCEPTABLE TRIPARTITE OR BILATERAL POLICY ACCOMMODATION (POSSIBLE BRACKETING WAGE AND PRICE CURBS WITH TAX CUTS).
HARGROVE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, TEXT ON MICROFILM ONLY, LABOR UNIONS, DEVALUATIONS, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: SmithRJ
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CANBER08858
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: ACCESSION #D760454-0898 REMOVED FROM SYSTEM, TEXT UPGRADED PER MEMO P900052-0210
Executive Order: OA
Errors: N/A
Film Number: P900052-0231, D760454-0898
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761255/aaaabvsv.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: UNCLASSIFIED
Original Previous Handling Restrictions: LOU
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: UNCLASSIFIED; CONFIDENTIAL
Previous Handling Restrictions: LOU
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: SmithRJ
Review Comment: n/a
Review Content Flags:
Review Date: 24 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 MAY 2004 by BoyleJA>; APPROVED <21 SEP 2004 by SmithRJ>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRASER AND HAWKE TO MEET FOR POST-DEVALUATION ECONOMIC TALKS
TAGS: ELAB, AS, FRASER, HAWKE, (FRASER), (HAWKE)
To: STATE MELBOURNE SYDNEY
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006